

# enCore Energy Corp.

TSX.V:EU

**enCore Energy Corp.**  
**(formerly Wolfpack Gold Corp.)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited – Prepared by Management)**

**(Expressed in Canadian Dollars)**

**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014**

**Notice of Non-review of Interim Condensed Consolidated Financial Statements**

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The attached interim condensed consolidated financial statements for the nine months ended September 30, 2015 and 2014 have been prepared by and are the responsibility of the Company's management and have been approved by the Audit Committee of the Company. The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements.

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**enCore Energy Corp. (formerly Wolfpack Gold Corp.)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
As at September 30, 2015 and December 31, 2014  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)

	Notes	September 30, 2015	December 31, 2014
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 517,854	\$ 425,500
Receivables and prepaid expenses		20,092	67,687
Marketable securities	5	93,000	308,103
		<u>630,946</u>	<u>801,290</u>
<b>Mineral properties</b>	4, 7	<u>2,967,304</u>	<u>2,495,461</u>
		<u>\$ 3,598,250</u>	<u>\$ 3,296,751</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	8	\$ 101,631	\$ 167,391
		<u>101,631</u>	<u>167,391</u>
<b>Shareholders' equity</b>			
Share capital	9	20,811,938	20,811,938
Contributed surplus		764,180	749,237
Accumulated other comprehensive income		818,432	400,404
Deficit		(18,897,931)	(18,832,219)
		<u>3,496,619</u>	<u>3,129,360</u>
		<u>\$ 3,598,250</u>	<u>\$ 3,296,751</u>

APPROVED BY THE BOARD OF DIRECTORS:

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"William M. Sheriff" Director

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"William B. Harris" Director

The accompanying notes are an integral part of these interim condensed consolidated financial statements

**enCore Energy Corp. (formerly Wolfpack Gold Corp.)**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)**

For the nine months ended September 30, 2015 and 2014

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

	Notes	Three months ended		Nine months ended	
		September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
<b>Expenses</b>					
General and administrative		\$ 45,309	\$ 89,277	\$ 107,573	\$ 294,994
Professional fees		12,118	85,857	59,547	330,218
Staff costs	10	24,502	21,342	100,358	175,848
Stock Option Expense		—	1,910	14,943	16,430
Mineral exploration and evaluation costs	7	(25,667)	18,608	21,836	18,608
		(56,262)	(216,994)	(304,257)	(836,098)
<b>Other items</b>					
Other Income (loss)		3,848	44,264	35,411	60,851
Realized gain on sale of marketable securities	5	123,864	173,197	203,134	158,298
Change in fair value of marketable securities	5	—	—	—	(37,500)
Change in fair value of embedded derivative	5	—	(4,667)	—	(20,931)
Write-down of mineral properties	7	—	—	—	(4,565,582)
Loss on sale of subsidiary		—	(118,923)	—	(118,923)
<b>Income (loss) for the period</b>		<b>\$ 71,450</b>	<b>\$ (123,123)</b>	<b>\$ (65,712)</b>	<b>\$ (5,359,885)</b>
<b>Other comprehensive income (loss)</b>					
<b>Items that may be subsequently reclassified to profit or loss</b>					
Exchange differences on translating foreign operations		\$ 237,721	\$ 117,745	\$ 395,731	\$ 252,913
Reclassification of cumulative exchange differences on translating foreign operations on disposition of subsidiary		—	(235,708)	—	(235,708)
Reclassification of realized gain on sale of marketable securities	5	(123,864)	—	(203,134)	—
Unrealized Gain (loss) on marketable securities		—	259,697	—	379,288
Realized Gain (loss) on marketable securities	5	(19,031)	(173,197)	225,431	(158,298)
<b>Other comprehensive income (loss) for the period</b>		<b>\$ 94,826</b>	<b>\$ (31,463)</b>	<b>\$ 418,028</b>	<b>\$ 238,195</b>
<b>Comprehensive income (loss) for the period</b>		<b>\$ 166,276</b>	<b>\$ (154,586)</b>	<b>\$ 352,316</b>	<b>\$ (5,121,690)</b>
<b>Basic and diluted income (loss) per common share</b>		<b>\$ 0.00</b>	<b>\$ (0.00)</b>	<b>\$ 0.01</b>	<b>\$ (0.10)</b>
<b>Weighted average number of common shares outstanding</b>		<b>57,242,750</b>	<b>57,242,750</b>	<b>57,242,750</b>	<b>53,310,552</b>

The accompanying notes are an integral part of these interim condensed consolidated financial statements

**enCore Energy Corp. (formerly Wolfpack Gold Corp.)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the nine months ended September 30, 2015 and 2014  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)

	September 30, 2015	September 30, 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (65,712)	\$ (5,359,885)
Items not affecting cash:		
Depreciation	—	10,722
Stock option expense	14,943	16,430
Write down of mineral properties	—	4,565,582
Realized gain on sale of marketable securities	(203,134)	(158,298)
Change in fair value of marketable securities	—	37,500
Accretion of loan	—	(15,974)
Change in fair value of embedded derivative	—	20,931
Loss on sale of subsidiary	—	118,923
Gain on sale of equipment	—	(2,340)
Unrealized foreign exchange loss	1,677	12,743
	<u>(252,226)</u>	<u>(753,666)</u>
Changes in non-cash working capital items:		
Receivables and prepaids	47,595	(21,224)
Accounts payable and accrued liabilities	(65,760)	112,586
	<u>(270,391)</u>	<u>(662,304)</u>
<b>Net cash used in operating activities</b>	<b>(270,391)</b>	<b>(662,304)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in mineral properties	(83,127)	(514,947)
Proceeds from sale of equipment	—	8,500
Proceeds from sale of marketable securities	445,872	1,037,028
Loan to Timberline	—	(1,101,000)
Disposition of cash on sale of subsidiary	—	(3,878,414)
	<u>362,745</u>	<u>(4,448,833)</u>
<b>Net cash provided by (used in) investing activities</b>	<b>362,745</b>	<b>(4,448,833)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issuance of common shares	—	622,500
Issuance costs	—	(3,112)
	<u>—</u>	<u>619,388</u>
<b>Net cash provided by financing activities</b>	<b>—</b>	<b>619,388</b>
<b>Change in cash during the period</b>	<b>92,354</b>	<b>(4,491,749)</b>
<b>Cash, beginning of the period</b>	<b>425,500</b>	<b>5,202,931</b>
<b>Cash, end of the period</b>	<b>\$ 517,854</b>	<b>\$ 711,182</b>

Supplemental cash flow information – Note 12

The accompanying notes are an integral part of these interim condensed consolidated financial statements

**enCore Energy Corp. (formerly Wolfpack Gold Corp.)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
For the nine months ended September 30, 2015 and 2014  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)

	Number of Share	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total
<b>Balance, December 31, 2013</b>	49,897,750	\$ 20,102,950	\$ 730,411	\$ 121,704	\$ (7,481,931)	\$ 13,473,134
For cash pursuant to private placement	6,225,000	622,500	—	—	—	622,500
Less: cash issue costs	—	(3,112)	—	—	—	(3,112)
Pursuant to mineral property	1,120,000	89,600	—	—	—	89,600
Dividend shares of Timberline	—	—	—	—	(5,795,829)	(5,795,829)
Stock option expense	—	—	16,430	—	—	16,430
Loss and comprehensive income for the period	—	—	—	238,195	(5,359,885)	(5,121,690)
<b>Balance, September 30, 2014</b>	57,242,750	\$ 20,811,938	\$ 746,841	\$ 359,899	\$ (18,637,645)	\$ 3,281,033
<b>Balance, December 31, 2014</b>	57,242,750	\$ 20,811,938	\$ 749,237	\$ 400,404	\$ (18,832,219)	\$ 3,129,360
Stock option expense	—	—	14,943	—	—	14,943
Loss and comprehensive income for the period	—	—	—	418,028	(65,712)	352,316
<b>Balance, September 30, 2015</b>	57,242,750	\$ 20,811,938	\$ 764,180	\$ 818,432	\$ (18,897,931)	\$ 3,496,619

The accompanying notes are an integral part of these interim condensed consolidated financial statements

**1. NATURE OF OPERATIONS**

enCore Energy Corp. (formerly Wolfpack Gold Corp.) was incorporated on October 30, 2009 under the Laws of British Columbia. enCore Energy Corp., together with its subsidiary (collectively referred to as the “Company” or “enCore”), is principally engaged in the acquisition and exploration of resource properties in the United States. The Company’s common shares trade on the TSX Venture Exchange under the symbol “EU.V.”

The Company’s head office is located at #510 – 580 Hornby Street, Vancouver, BC.

**2. BASIS OF PRESENTATION**

These interim condensed consolidated financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. The policies applied in these interim condensed consolidated financial statements are based on IFRS issued and effective as of September 30, 2015.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended December 31, 2014. The interim condensed consolidated financial statements have been prepared on a historical cost basis except for marketable securities which are measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These interim condensed consolidated financial statements were approved for issuance by the board of directors on November 12, 2015.

These interim condensed consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiary. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when an investor has existing rights that give it the ability to direct the activities that significantly affect the investee’s returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a Company’s share capital. All significant intercompany transactions and balances have been eliminated.

The interim condensed consolidated financial statements include the financial statements of the Company and its significant subsidiary listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership Interest	Principal Activity	Functional Currency
Tigris Uranium US Corp.	Nevada, USA	100%	Mineral Exploration	USD

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in conformity with IFRS requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management’s experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Although management uses historical experience and its best knowledge of the expected amounts, events or actions to form the basis for estimates, actual results may differ from these estimates. Significant accounting estimates and judgments include the following:

Critical accounting estimates:

- a) **The assessment of the recoverable amount of mineral properties as a result of impairment indicators** - When indicators of impairment are identified, recoverable amount calculations are based either on discounted estimated future cash flows or on comparable recent transactions. The assumptions used are based on management’s best estimates of what an independent market participant would consider appropriate. Changes in these assumptions may alter the results of impairment testing, the amount of the impairment charges recorded in the statement of income and the resulting carrying values of assets.

Critical accounting judgments:

- a) **The assessment of indicators of impairment for mineral properties** - The Company follows the guidance of IFRS 6 to determine when a mineral property asset is impaired. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, the results of exploration and evaluation activities to date and the Company’s future plans to explore and evaluate a mineral property.

**4. SALE OF SUBSIDIARY**

On August 15, 2014, the Company entered into an agreement with Timberline Resources Corporation ("Timberline") whereby Timberline acquired all of the outstanding shares of Wolfpack Gold (Nevada) Corp., a wholly owned subsidiary of the Company (the "Timberline Transaction"). The assets of Wolfpack Gold (Nevada) Corp included a significant amount of the Company's cash. The Timberline Loan (Note 6) was deemed to be repaid on closing of the Timberline Transaction. Timberline issued 42,932,063 common shares to the Company for pro rata distribution to shareholders. Each enCore shareholder of record on August 15, 2014 received 0.75 of a Timberline share for each share of enCore held at closing. The distribution of Timberline shares was accounted for as a dividend, calculated as \$5,795,829 based on the prevailing Timberline share price of \$0.135 on the date of the distribution.

The Company used the August 15, 2014 closing price of \$0.135 per share to determine the fair value of the Timberline shares issued on August 15, 2014. The fair value of the Timberline shares issued on August 15, 2014 was determined to be \$5,795,829. Together with the deemed repayment of the Timberline Loan and accrued interest (\$1,104,703), the aggregate fair value of the consideration paid by Timberline was \$5,795,829. The consideration paid by Timberline for the shares of Wolfpack Gold (Nevada) Corp. was \$4,691,126.

The following table provides details of the assets and liabilities disposed of:

Cash and cash equivalents	\$ 3,878,414
Receivables and prepaid expenses	24,557
Equipment	11,817
Reclamation bonds	379,608
Mineral properties	884,585
Accounts payable and accrued liabilities	(8,206)
Net assets sold	<u>5,170,775</u>
42,932,063 common shares of Timberline	5,795,829
Settlement of Timberline Loan (Note 6)	(1,083,300)
Settlement of Timberline Loan interest (Note 6)	<u>(21,403)</u>
Proceeds of disposition	<u>4,691,126</u>
Proceeds less net assets sold	(479,649)
Costs of disposal	(78,793)
Reclassifying cumulative exchange differences on translating foreign operations on sale of subsidiary	<u>235,708</u>
Loss on sale of subsidiary	<u>\$ (322,734)</u>

**5. MARKETABLE SECURITIES**

	Warrants	Shares	Total
Balance, December 31, 2013	\$ 93,750	\$ 1,009,490	\$ 1,103,240
Acquired by purchases	—	102,806	102,806
Disposal by sales	—	(1,135,636)	(1,135,636)
Realized gain on sales	—	163,090	163,090
Change in fair value	(93,750)	168,353	74,603
Balance, December 31, 2014	\$ —	\$ 308,103	\$ 308,103
Disposal by sales	—	(445,872)	(445,872)
Realized gain on sales	—	203,134	203,134
Change in fair value	—	27,635	27,635
Balance, September 30, 2015	\$ —	\$ 93,000	\$ 93,000



**5. MARKETABLE SECURITIES (CONT'D)**

The Company has common shares of NexGen Energy Ltd. ("NexGen") and Timberline Resources Corp. ("Timberline").

During the nine months ended September 30, 2015, the Company sold 568,500 common shares of NexGen for aggregate gross proceeds of \$413,535 and recorded a gain on sale of marketable securities of \$220,245 (2014: \$158,298 gain).

During the nine months ended September 30, 2015, the Company sold its remaining 50,103 common shares of Timberline for aggregate gross proceeds of \$32,337 and recorded a loss on sale of marketable securities of \$17,111 (2014: \$nil).

On September 30, 2015, the NexGen common shares closed at \$0.62 per share (December 31, 2014: \$0.38 per share).

**6. TIMBERLINE LOAN**

As part of the Timberline Transaction (Note 4), the Company agreed to provide Timberline with funding for their working capital needs during the period prior to the completion of the Timberline Transaction. On March 14, 2014, the Company entered into a promissory note with Timberline for up to US\$1,000,000 (the "Timberline Loan"). On March 17, 2014, Timberline drew an initial US\$500,000 (\$552,700), on April 17, 2014, Timberline drew an additional US\$250,000 (\$276,625), and on May 30, 2014, Timberline drew the final US\$250,000 (\$271,675).

The Timberline Loan was settled on completion of the Timberline Transaction on August 15, 2014 (Note 4).

**7. MINERAL PROPERTIES**

	Crownpoint and Hosta Butte	Total
<b>Balance, December 31, 2014</b>	\$ 2,495,461	\$ 2,495,461
Exploration costs		
Land and maintenance fees	83,127	83,127
	<u>83,127</u>	<u>83,127</u>
Currency translation adjustment	388,716	388,716
	<u>388,716</u>	<u>388,716</u>
<b>Balance, September 30, 2015</b>	\$ 2,967,304	\$ 2,967,304

***Crownpoint and Hosta Butte Properties***

In June 2012, the Company filed a National Instrument ("NI") 43-101 Technical Report containing an updated resource estimate covering the Company's Crownpoint and Hosta Butte Project (the "Project") located in the Grants Uranium District of McKinley County, New Mexico, USA. The Company owns a 100% mineral interest in the region comprised of the approximately 113,000 acre McKinley Properties and adjacent 3,020 acre Crownpoint and Hosta Butte resource area.

The Crownpoint and nearby Hosta Butte resources occupy subparallel mineral trends within an approximate 3,020 acre (1,222 ha) property package controlled by the Company. At Crownpoint, the Company holds a 60% interest in a 140 acre portion of section 24. With the exception of the shared interest in section 24, enCore Energy holds a 100% mineral interest in the rest of the Crownpoint and Hosta Butte project area (2,880 acres) subject only to a 3% gross profits royalty on uranium produced.

**8. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities for the Company are as follows:

	September 30, 2015	December 31, 2014
Trade payables	\$ 101,631	\$ 134,041
Due to related parties (Note 10)	—	33,350
	<u>101,631</u>	<u>167,391</u>
<b>Total</b>	<b>\$ 101,631</b>	<b>\$ 167,391</b>

**9. SHARE CAPITAL AND RESERVES**

**Authorized share capital**

Unlimited common and preferred shares without par value.

**Stock options**

The Company has adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire common shares of the Company. The number of shares reserved for issuance under the plan shall not exceed 10% of the outstanding common shares at the time of the grant. The options can be granted for a maximum of five years and vest as determined by the board of directors.

At September 30, 2015, the Company has 4,694,167 stock options outstanding with a weighted average exercise price of \$0.17.

**10. RELATED PARTY TRANSACTIONS**

During the period ended September 30, 2015, the Company incurred \$57,115 in staff costs for the Chief Executive Officer.

These services were incurred in the normal course of operations for general corporate matters, attendance at committee and board meetings, as well as evaluating business opportunities. All services were made on terms substantially equivalent to those that prevail with arm's length transactions.

Key management includes Directors and Officers of the Company. The compensation paid or payable to key management for services during the period ended September 30, 2015 and 2014 is as follows:

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Staff costs	\$ 24,761	\$ 19,560	\$ 57,115	\$ 79,806
Stock option expense	—	—	13,127	2,950
<b>Total key management compensation</b>	<b>\$ 24,761</b>	<b>\$ 19,560</b>	<b>\$ 70,242</b>	<b>\$ 82,756</b>

**11. SEGMENTED INFORMATION**

The Company operates in a single segment: the acquisition, exploration and development of mineral properties in the United States. The Company's mineral properties and equipment are located in the United States.

**12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

There were no significant non-cash transactions for the period ended September 30, 2015.

Significant non-cash transactions for the period ended September 30, 2014 include the following:

The Company acquired 42,931,063 common shares of Timberline with a fair value of \$5,795,829 for the sale of subsidiary. The shares were then distributed to the shareholders of the Company.

The Company issued 1,120,000 common shares with a fair value of \$89,600 for the acquisition of mineral properties.